



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

August 9, 2002

The Honorable Edward J. Markey  
Ranking Member  
Subcommittee on Telecommunications and the Internet  
Committee on Energy and Commerce  
U.S. House of Representatives  
2108 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Markey:

Thank you for your letter of July 24, 2002 concerning the transition to digital television ("DTV"). I share many of your concerns about the current pace of the transition, and I appreciate your support for my recent initiative requesting that industry participants agree to take voluntary steps to facilitate the DTV transition.

I certainly agree with you that digital technology, and digital television in particular, have significant implications for all sectors of the communications industry and hold great promise for the national economy and consumers. While I continue to believe that the DTV transition will be led largely by market developments and consumer demand, the Commission has and will continue to pursue policies that facilitate the transition whenever possible and appropriate.

Indeed, the transition to digital television remains one of the Commission's top priorities. Shortly after I became Chairman, I established the DTV Task Force both to focus and to coordinate the Commission's work related to the DTV transition. More recently, as discussed in your letter, I developed a voluntary proposal that called on all industry participants — broadcasters, cable and satellite television operators, and consumer electronics manufacturers — to make specific commitments that, if implemented, would encourage consumer adoption of DTV technology. I am gratified and encouraged that many industry participants stepped up to accept my challenge. However, like you, I believe it is now time to initiate additional measures to facilitate the DTV transition.

In this regard, I am pleased to report that at the August 8, 2002 Open Meeting, the Commission took action in two important areas designed to promote the DTV transition. First, the Commission adopted a *Notice of Proposed Rulemaking* to seek comment on a broadcast flag technology to protect digital broadcast television content. Although there has been substantial progress toward developing technologies and securing license agreements to protect digital content delivered over the cable and satellite television platforms, terrestrial digital broadcast content has not benefited directly from these protections. The broadcast flag technology, however, could represent a significant step forward in securing needed protection for digital terrestrial broadcast content and, if implemented properly, could facilitate the digital transition.

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The Commission also approved a *Report and Order* at our August Meeting to amend our rules to require that broadcast television receivers incorporate the capability to receive DTV signals. The Commission determined that this action was necessary to advance the transition to digital television because the consumer electronics industry was not incorporating DTV tuners into new television receivers on a schedule that would allow the transition to proceed in a timely manner.

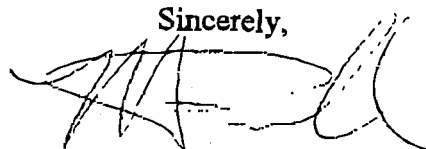
The digital tuner requirement adopted by the Commission will be phased in to avoid the imposition of undue costs on the consumer electronics industry or consumers, and to minimize disruptions to the television receiver market. Under the Commission's amended rules, beginning July 1, 2004, half of all new television receivers with a display screen 36 inches or larger will be required to have a DTV tuner. By July 1, 2007, all new television receivers with a screen size 13 inches or larger, and all other devices such as VCRs and DVDs that also are designed to receive broadcast television signals must be equipped with an integrated DTV tuner.

The Commission also continues its work in a number of other important areas related to the transition to digital television. For example, in the near future, I intend to present a second Report and Order to the full Commission to address outstanding issues concerning the carriage of digital television broadcast signals on cable and satellite television systems. As you know, this is a complex proceeding, involving difficult questions of statutory and constitutional interpretation. Among other matters, the Order I plan to present to the Commission will address issues related to the carriage of both analog and digital television broadcast signals during the transition, and the carriage rights of multiple digital programming streams delivered over a single 6 MHz channel.

Finally, the Commission soon will be prepared to address a number of unresolved issues in our pending navigation devices and cable compatibility proceedings. The development of a "plug and play" cable capability is important to a successful DTV transition. Today many consumers are able to connect their television sets directly to their cable systems and take that same set anywhere in the country and do likewise. Consumers should have a similar option in the digital world. Accordingly, as indicated in the DTV tuner order, the Commission intends to address in its upcoming navigation devices Report and Order what additional steps are needed to achieve "plug and play" cable compatibility.

I remain convinced that the transition to digital television will produce substantial benefits for both consumers and the economy. I look forward to working with you and your colleagues in the Senate and House to bring the DTV transition to a rapid and successful conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael K. Powell', written over a horizontal line.

Michael K. Powell  
Chairman